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## Via Email, Overnight Delivery and Electronic Filing Via ECFS

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Sharon Gillett

Senior Counsel - Chairman's Office

Chief, Wireline Competition Bureau

Rick Kaplan

**Edward Lazarus** 

Chief Counsel and Senior Legal Advisor

Chief of Staff - Chairman's Office

Chairman's Office

RE:

In the Matter of Applications of Comcast Corporation, General Electric Company and NBC Universal, Inc. for Consent to Assign Licenses or Transfer Control of Licenses; MB Docket No. 10-56

## Dear Sirs and Madam:

We have reviewed Comcast's filings detailing recent discussions between Commission staff and Comcast concerning conditions that may be imposed in connection with Comcast's proposed acquisition of a controlling interest in NBC Universal. In its December 22 ex parte, Comcast asserts "that there is no basis in the factual, legal, or economic record for the adoption of conditions related to open Internet services." Comcast also asserts that "the Open Internet Report and Order that the Commission adopted yesterday resolves any concerns in this area."

Comcast's claim that there is no "factual . . . record" for imposition of conditions guaranteeing an open Internet is patently false. As Level 3 has demonstrated through its filings, Comcast has erected a toll booth between its subscribers and the content and applications they want to see.

Needless to say, it is premature to claim that the Open Internet Report and Order "resolves any concerns" because the full text of the Order has yet to be released. Thus, there is no basis for Comcast to claim that the Order will eliminate any risk of Comcast acting in an anticompetitive, unreasonable or discriminatory manner.

Moreover, it seems quite unlikely that the Order will alleviate the concerns expressed by Level 3 and others involving Comcast acting as a gatekeeper for its subscribers' access to online content. The Comcast-NBCU transaction poses unique, transaction-specific threats that are not attributable to general industry conditions, but rather flow directly from the transaction under review by the Commission. The proposed transaction would create an unprecedented amalgamation of content and consumer broadband service that enhances Comcast's incentive and means to discriminate against

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services that pose a threat to its post-merger business. As a result, transaction-specific conditions that provide clear guidance to all industry participants about what Comcast may and may not do - not rules of general applicability - are warranted. In addition, the Commission should impose and enforce an expedited dispute resolution mechanism to ensure that, in the event of anticompetitive behavior by the post-merger entity, disputes can be resolved in a prompt and cost-effective manner.

At a minimum, in order to find that the proposed transaction is consistent with the public interest, Comcast should be required to dismantle the contractual toll booth that it has placed on the delivery of subscriber-requested content from Level 3. As we demonstrated in our letter to Ms. Gillett on December 18, 2010 (copy attached), Comcast has repeatedly touted the competitive presence of online video as a principle reason why the transaction will not adversely affect competition. Throughout 2010 Comcast claimed over and over that there were no "gatekeepers" impeding delivery of online video to broadband subscribers. But at the end of 2010 Comcast took steps to become precisely such a gatekeeper for the largest block of broadband Internet subscribers in the nation – its own subscribers.

If Comcast means what it says about how online video will constrain the post-merger entity's ability to engage in anticompetitive behavior, then Comcast should have nothing to fear from the conditions proposed by Level 3 to prevent discrimination in connection with access to Comcast's subscribers. Rather, Comcast should be willing to let the market (its subscribers) decide what they want to watch and the source from which they will obtain that programming.

I would welcome the opportunity to discuss these issues, along with those raised in Level 3's prior submissions, at your earliest convenience.

Sincerely,

John M. Ryan

Assistant Chief Legal Officer Level 3 Communications, Inc.

cc:

Margaret McCarthy Angie Kronenberg Zach Katz